

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-272-C - ORDER NO. 95-1268✓
JUNE 23, 1995

IN RE: Application of GTE Card Services, Inc.)
 for a Certificate of Public Convenience)
 and Necessity to Operate as a Reseller)
 of Telecommunications Services within)
 the State of South Carolina.)

ORDER
APPROVING
CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of GTE Card Services, Inc. (GTE or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, through sales of debit cards, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed GTE to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of GTE's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. GTE complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by the

Consumer Advocate for the State of South Carolina (the Consumer Advocate), Southern Bell Telephone and Telegraph Company (Southern Bell) and the South Carolina Public Communications Association (SCPCA).

Discussions between GTE and the Consumer Advocate led GTE to agree to certain changes in its proposed tariff. Subsequently, the Consumer Advocate informed the Commission that it was satisfied that GTE's offering was consistent with other resellers approved by the Commission, and that the Consumer Advocate would not participate in the scheduled hearing in this Docket.

Both Southern Bell and the South Carolina Public Communications Association reached stipulations with GTE. (See attached Exhibits 1 and 2) These two companies have accordingly moved to withdraw from this proceeding. This Motion is Granted.

A public hearing was commenced on June 13, 1995 at 11:00 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. GTE was represented by Faye A. Flowers, Esquire. F. David Butler, General Counsel, represented the Commission Staff.

Craig Ryason, Vice-President of Marketing for GTE, appeared and offered testimony in support of GTE's Application. Mr. Ryason explained GTE's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller by means of sales of a prepaid calling card or debit card. Mr. Ryason described GTE's services, its managerial, technical, and financial resources, and its marketing procedures.

Mr. Ryason also stated that GTE will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. GTE is incorporated under the laws of the State of Delaware and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. GTE operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.

3. GTE has the experience, capability, and financial resources to provide the services as described in its Application.

4. The Stipulations between GTE and Southern Bell and GTE and SCPCA are reasonable, and should be approved.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to GTE to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers

approved by the Commission, and to sell its debit cards within the State of South Carolina.

2. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. GTE shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. GTE shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. GTE shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of

this Order and shall include the changes which GTE agreed to include in its tariff. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. GTE is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. GTE shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If GTE changes underlying carriers, it shall notify the Commission in writing.

8. With regard to completion of any intraLATA toll calls, GTE shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Further, GTE shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. The stipulations between GTE and Southern Bell and GTE and SCPCA are approved and made a part of this Order.

11. As a condition of receiving its Certificate, GTE shall post with the Commission, as a bond, Certificates of Deposit worth

\$5,000 from a Federally-insured institution to protect the consumers of South Carolina. This condition may be reviewed in one year.

12. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 95-272-C

IN RE:)	
)	
APPLICATION OF GTE CARD)	
SERVICES, INC. FOR A)	
CERTIFICATE OF PUBLIC)	STIPULATION
CONVENIENCE AND NECESSITY)	
<hr/>)	

The Applicant, GTE Card Services, Inc., and Southern Bell Telephone and Telegraph Company ("Southern Bell"), as Intervenor, by and through their undersigned counsel, hereby stipulate as follows:

- (1) Any grant of authority shall clearly be for interLATA services and such intraLATA services as contemplated by PSC Order No. 93-462, dated June 3, 1993.
- (2) GTE Card Services, Inc. represents that the services for which it seeks authority through this Application are not intended to be used to complete local calls. GTE Card Services, Inc. agrees that it is not seeking authority in this docket to authorize it to complete local calls. Further, GTE Card Services, Inc. agrees that it will not use either this Stipulation or the services specified in the tariffs filed in the above-captioned docket as grounds upon which to argue before this Commission that GTE Card Services, Inc. should be authorized to transport and complete local calls. GTE Card Services, Inc. represents that it will not market, advertise, encourage, or offer its services to be used as a method of transporting and completing local calls.

(3) GTE Card Services, Inc. affirms that, at this time, it cannot prevent the completion of local calls on its network by customers using the services specified in the tariffs filed in the above-captioned docket. For this reason, GTE Card Services, Inc. cannot stipulate that its customers will not complete local calls using its services. Therefore, GTE Card Services, Inc. may bill for completion of local calls and collect the revenues therefore. When it becomes technically and practically possible for GTE Card Services, Inc. to implement blocking of local call completion using the services of GTE Card Services, Inc., GTE Card Services, Inc. will implement such blocking until such time as it has obtained authority from the South Carolina Public Service Commission to transport and complete local calls.

Based upon the acceptance of this Stipulation by the Commission, Southern Bell hereby withdraws its intervention in this docket.

AGREED AND STIPULATED TO:

By: Faye A. Flowers
Faye A. Flowers, Esquire
Nexson, Pruet, Jacobs & Pollard
Post Office Box 2426
Columbia, South Carolina 29202

Attorney for Applicant

Columbia, South Carolina
~~May 1995~~

June 7, 1995

AGREED AND STIPULATED TO:

By: Harry M. Lightsey, III
Harry M. Lightsey, III
Suite 821-1600 Hampton St.
Columbia, South Carolina
29201

Attorney for Southern Bell
Telephone & Telegraph Company

BEFORE THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 95-272-C

IN RE:

APPLICATION OF GTE CARD SERVICES, INC.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY

STIPULATION

The Applicant, GTE Card Services, Inc., and the South Carolina Public Communications Association (SCPCA), as Intervenor, by and through their undersigned counsel, hereby stipulate as follows:

1. The Applicant will not market its debit card product in South Carolina through GTE South, its agents, employees, or independent contractors.

2. The Applicant will not obtain through GTE South any proprietary information which GTE South has by reason of its position as a local exchange carrier, including existing customer lists and customer calling patterns, if that information is not otherwise publicly available in South Carolina.

3. The Applicant will not market in South Carolina its debit card product in conjunction with any GTE South advertisement, mailing, billing, or products.

4. The Applicant will not conduct any advertisement campaign identifying its debit card product as a product of GTE South.

5. In the event that a change occurs in either state or federal law, or both, which the Applicant determines affects its rights and conduct under this Stipulation, the Applicant shall have the right to petition the Public Service Commission of South Carolina for relief from any or all of the above stipulations.

6. As used in this Stipulation, the term "GTE South" includes all local exchange properties purchased by GTE South from Contel.

Based upon the acceptance of this Stipulation by the Commission, the South Carolina Public Communications Association hereby withdraws its intervention in this docket.

AGREED AND STIPULATED TO:

GTE CARD SERVICES, INC.

By: Faye A. Flowers
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Attorneys for Applicant

SCPCA

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Attorney for SCPCA